

UNITED STATES DISTRICT COURT U.S. DISTRICT COURT  
EASTERN DISTRICT OF WISCONSIN EASTERN DISTRICT-WI  
FILED

UNITED STATES OF AMERICA,

Plaintiff,

v.

TELEMACHOS AGOUEDEMOS,

Defendant.

2018 APR 18 A 8:59

STEPHEN C. DRIES  
CLERK

Case No. **18-CR-077**

Title 18, United States Code, Section 1001

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**INFORMATION**

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**THE U.S. ATTORNEY CHARGES:**

**Background**

At all times material to this information:

1. Each year, federal agencies award contracts to purchase goods and services.

Some federal contracts are set aside for small businesses that are certified by various federal programs as meeting eligibility criteria relating to their size and status.

2. One such program is the Service-Disabled Veteran Owned Small Business (“SDVOSB”) Program, which helps small businesses that are owned by service-disabled veterans. A firm that is verified as an SDVOSB is eligible to receive federal procurement contracts set aside for such firms.

3. The United States Department of Veterans Affairs’ (“VA”) Center for Veteran Enterprises (“CVE”) is responsible for verifying whether a firm qualifies as an SDVOSB for purposes of VA procurement contracts. Firms that the CVE verifies are listed in the VA’s online database, Vendor Information Pages.

4. To be verified as an SDVOSB, a firm must meet certain eligibility criteria, including the following:
  - a. Size: The firm must be small according to the United States Small Business Administration's ("SBA") size standards;
  - b. Ownership: The firm must be at least 51% percent owned by a service-disabled veteran; and
  - c. Control: The service-disabled veteran owner must control the firm. Control includes both day-to-day management and long-term decisions-making authority.
5. Any firm seeking a set-aside contract with the federal government must register in an online database maintained by the United States General Services Administration ("GSA") and make specific representations regarding the firm, including the firm's qualifications for the SDVOSB program. The firm must renew those representations each year, attesting to their accuracy under the penalty of perjury.
6. Contracting officials for federal agencies rely upon the GSA databases and the VA's Vendor Information Pages in determining whether a firm is eligible to receive an SDVOSB set-aside contract.
7. Telemachos Agoudemos was a service-disabled veteran who, from 2006 through 2012, purported to be the 51% owner and president of C3T, Inc ("C3T"). In or around April 2006, Ganos transferred 51% of the stock in an inactive company he owned to Agoudemos, and 49% of the stock to Hubbell. They changed the entity's name to C3T, and Agoudemos assumed the title of president.
8. In approximately December 2012, Agoudemos acquired 100% of C3T's shares and purported to be its sole owner.
9. C3T was a Wisconsin corporation that performed construction work. C3T's office was located in an office building on West Florist Avenue in Milwaukee, Wisconsin ("the

Florist Avenue building"). C3T was verified under the VA's SDVOSB program from 2006 through at least 2016, except for certain periods during which it was suspended.

10. Brian L. Ganos was the sole owner and president of Sonag Company, Inc. ("Sonag Company"), a Wisconsin corporation that performed construction work. Sonag Company operated out the Florist Avenue building. Ganos also controlled Nuvo Construction Company, Inc. ("Nuvo"), a Wisconsin corporation that performed construction work. Nuvo was certified from 2004 to 2013 under the SBA's 8(a) Program as a Small Disadvantaged Business, and from 2005 through 2016 under the United States Department of Transportation's Disadvantaged Business Enterprise ("DBE") Program as a DBE. In addition, Ganos helped form and controlled Pagasa Construction Company, Inc., another Wisconsin corporations that performed construction work and that obtained SBA certification as a Small Disadvantaged Business. Nuvo and Pagasa operated out of the Florist Avenue building.

11. James E. Hubbell worked for companies affiliated with Ganos and supervised their construction operations. Hubbell worked principally in the Florist Avenue building. From 2006 through approximately 2012, Hubbell purported to be the 49% owner of C3T.

#### **Scheme to Defraud**

12. Ganos, Hubbell, and others devised and participated in a scheme to defraud the United States by operating companies with straw owners who qualified as a socially and economically disadvantaged individual or as a service-disabled veteran, but who did not actually control the companies. The scheme participants fraudulently obtained government certifications as to the status of the companies based upon the straw owners. The scheme participants then used the companies' fraudulently obtained certifications to win federal set-aside contract payments to which they were not entitled.

13. C3T was established to obtain SDVOSB status and seek federal contracts set

aside for SDVOSB firms.

14. Agoudemos participated in the scheme from no later than January 2007 through at least 2012.

15. In or around April 2006, Ganos, Hubbell, and Agoudemos arranged for Agoudemos to be named the majority owner and president of C3T because he qualified as a service-disabled veteran.

16. In the months following C3T's formation, Agoudemos attempted to participate in C3T's operations. But around January 2007, Hubbell and Ganos informed Agoudemos that they did not want him involved in C3T's operations and that Agoudemos could stay home while still drawing a salary.

17. Thereafter, and continuing at least through 2012, Agoudemos continued to draw a modest salary from C3T but had virtually no involvement in C3T's operations. During that time, Agoudemos did not have the benefits or burdens of ownership, nor did he have actual control of C3T. Instead, Ganos, Hubbell, and others exercised control over key aspects of C3T, including long-term strategic decisions, finances, and day-to-day operations and management.

18. Beginning in early 2013 and continuing through August 2016, Agoudemos returned to C3T to participate in C3T's day to day operations. Despite Agoudemos's efforts, Ganos, Hubbell, and others retained control over key aspects of C3T.

19. Throughout the scheme, C3T did not operate independently of other Ganos-controlled companies. Instead, C3T's operations, bonding, and finances were entwined with the other the companies.

20. To obtain and maintain SDVOSB status for C3T, scheme participants submitted and caused to be submitted materially false and fraudulent representations to the VA and other government officials regarding the ownership, operation, affiliation, and control of C3T.

21. In April 2006, Ganos, Hubbell, and others caused C3T to be registered in the GSA database for government contractors and certified that C3T was a SDVOSB. Thereafter, annually from April 2007 through April 2016, scheme participants submitted, and caused to be submitted, C3T's representations and certifications in GSA databases asserting that C3T met the SDVOSB Program's eligibility criteria.

22. C3T received federal contracts based upon its claimed SDVOSB status, and submitted claims for payments on those contracts, throughout the period from 2006 through June 2016.

#### **False Statements**

23. As set forth specifically below, in the State and Eastern District of Wisconsin, with the intent to conceal the illegitimacy of C3T's SDVOSB status,

#### **TELEMACHOS AGOUDEMOS**

knowingly and willfully made materially false, fictitious, and fraudulent statements, and submitted documents containing the same, to agents of the Federal Bureau of Investigation ("FBI") and the VA, in matters within the jurisdiction of the executive branch of the government of the United States. Those statements were:

- a. On or about June 12, 2012, in response to questions by special agents with the VA Office of Inspector General and the FBI, Agoudemos made materially false statements, including that C3T had no affiliation with Nuvo or Sonag Company.
- b. On or about July 5, 2012, Agoudemos submitted a written request to the VA for C3T to be reverified as a SDVOSB. The request contained materially false and fraudulent representations regarding C3T's eligibility for SDVOSB status, including that Agoudemos "retained independent authority, responsibility, and supervision of the operation and administration of [C3T]."
- c. On or about January 8, 2013, Agoudemos submitted, and caused to be submitted, another written request to the VA to reverify C3T as a SDVOSB. The request contained materially false and fraudulent representations regarding C3T's eligibility for SDVOSB status, including that Agoudemos had fully assumed

Hubbell's responsibilities. Based upon Agoudemos's fraudulent submission, the VA reverified C3T as an SDVOSB in February 2013.

All in violation of Title 18, United States Code, Section 1001.



MATTHEW D. KRUEGER

United States Attorney

Date: 4/17/2018